

Indirect Support Services

Analyst: Burns

Historical Summary

OPERATING BUDGET	FY 2000 Actual	FY 2001 Actual	FY 2002 Approp	FY 2003 Request	FY 2003 Gov Rec
BY FUND CATEGORY					
General	15,368,500	14,102,100	14,663,800	16,709,200	13,824,000
Dedicated	2,020,600	907,400	1,115,900	499,900	1,165,000
Federal	13,361,500	17,905,500	16,810,400	18,329,100	16,080,600
Total:	30,750,600	32,915,000	32,590,100	35,538,200	31,069,600
Percent Change:		7.0%	(1.0%)	9.0%	(4.7%)
BY OBJECT OF EXPENDITURE					
Personnel Costs	12,324,300	12,402,400	14,111,400	15,446,000	14,055,700
Operating Expenditures	17,882,000	18,853,300	17,598,700	19,682,000	17,013,900
Capital Outlay	544,300	1,659,300	880,000	410,200	0
Total:	30,750,600	32,915,000	32,590,100	35,538,200	31,069,600
Full-Time Positions (FTP)	249.90	251.49	249.90	284.80	274.80

Division Description

The division provides administrative functions for the Department of Health and Welfare. The Office of the Director provides central policy direction. Regional directors direct day-to-day activities throughout the state. The Office of Legal Services provides legal advice, monitoring and litigation services. The Division of Management Services manages the budget cash flow, controls the accounting and reporting process, performs internal reviews, manages physical assets, and processes all personnel actions. The Division of Information Systems plans and operates all data processing activities. Finally, the Division of Human Resource Services includes civil rights, workforce development, recruitment, process and system research, and employee relations.

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Comparative Summary

Decision Unit	AGENCY REQUEST		GOVERNOR'S REC	
	General	Total	General	Total
FY 2002 Original Appropriation	14,663,800	32,590,100	14,663,800	32,590,100
Reappropriations	0	1,841,100	0	1,841,100
1. Digital Certificates	37,500	375,000	37,500	375,000
Holdback/Neg. Supp	(476,100)	(892,800)	(476,100)	(892,800)
FY 2002 Total Appropriation	14,225,200	33,913,400	14,225,200	33,913,400
Expenditure Adjustments	1,130,200	3,281,000	1,130,200	3,281,000
FY 2002 Estimated Expenditures	15,355,400	37,194,400	15,355,400	37,194,400
Removal of One-Time Expenditures	0	(4,048,100)	0	(4,048,100)
Restore Holdback/Neg. Supp	476,100	892,800	476,100	892,800
Permanent Base Reduction	0	0	(1,674,600)	(2,493,900)
FY 2003 Base	15,831,500	34,039,100	14,156,900	31,545,200
Personnel Cost Rollups	34,000	48,600	34,000	48,600
Inflationary Adjustments	216,800	309,700	0	0
Replacement Items	193,400	304,300	0	0
Nonstandard Adjustments	202,000	586,000	(366,900)	(524,200)
Change in Employee Compensation	101,200	144,600	0	0
Fund Shifts	56,200	0	0	0
FY 2003 Program Maintenance	16,635,100	35,432,300	13,824,000	31,069,600
1. Additional Capital Outlay	74,100	105,900	0	0
FY 2003 Total	16,709,200	35,538,200	13,824,000	31,069,600
Change from Original Appropriation	2,045,400	2,948,100	(839,800)	(1,520,500)
% Change from Original Appropriation	13.9%	9.0%	(5.7%)	(4.7%)
Change in FTP's		34.90		24.90

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2002 Original Appropriation	249.90	14,663,800	1,115,900	16,810,400	32,590,100
Reappropriations					
Agency Request	0.00	0	1,841,100	0	1,841,100
Governor's Recommendation	0.00	0	1,841,100	0	1,841,100
1. Digital Certificates					
Digital certificates are a type of software that authenticates that a person accessing electronic information is really who they say they are. These certificates will be required to meet provisions of the Health Insurance Portability and Accountability Act, ITRMC requirements and to do business across the Web with customers. The Department of Health and Welfare will need to deploy around 7,500 digital certificates in FY 2002 to meet its demands from Medicaid providers. These certificates will be needed for Medicaid providers so they may access Medicaid information through secured Internet connections.					
Agency Request	0.00	37,500	0	337,500	375,000
Governor's Recommendation	0.00	37,500	0	337,500	375,000
Holdback/Neg. Supp					
General Fund holdbacks, as directed by Executive Orders 2001-10 and 2001-17, are incorporated as a negative supplemental appropriation for fiscal year 2002.					
Agency Request	0.00	(476,100)	0	(416,700)	(892,800)
Governor's Recommendation	0.00	(476,100)	0	(416,700)	(892,800)
FY 2002 Total Appropriation					
Agency Request	249.90	14,225,200	2,957,000	16,731,200	33,913,400
Governor's Recommendation	249.90	14,225,200	2,957,000	16,731,200	33,913,400
Expenditure Adjustments					
Reflects transfers between programs and adjustments in available federal funds.					
Agency Request	34.90	1,130,200	0	2,150,800	3,281,000
Governor's Recommendation	34.90	1,130,200	0	2,150,800	3,281,000
FY 2002 Estimated Expenditures					
Agency Request	284.80	15,355,400	2,957,000	18,882,000	37,194,400
Governor's Recommendation	284.80	15,355,400	2,957,000	18,882,000	37,194,400
Removal of One-Time Expenditures					
Remove funding provided for one-time items.					
Agency Request	0.00	0	(2,457,100)	(1,591,000)	(4,048,100)
Governor's Recommendation	0.00	0	(2,457,100)	(1,591,000)	(4,048,100)
Restore Holdback/Neg. Supp					
Restores the one-time holdback/negative supplemental.					
Agency Request	0.00	476,100	0	416,700	892,800
Governor's Recommendation	0.00	476,100	0	416,700	892,800
Permanent Base Reduction					
Agency Request	0.00	0	0	0	0
Permanent reductions in agency base budgets are made to accommodate limited General Fund revenue for fiscal year 2003. Reductions will be accommodated through program consolidations, expenditure management, and other program changes that realign funding availability with program requirements.					
Governor's Recommendation	(10.00)	(1,674,600)	665,100	(1,484,400)	(2,493,900)

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FY 2003 Base					
Agency Request	284.80	15,831,500	499,900	17,707,700	34,039,100
<i>Governor's Recommendation</i>	<i>274.80</i>	<i>14,156,900</i>	<i>1,165,000</i>	<i>16,223,300</i>	<i>31,545,200</i>
Personnel Cost Rollups					
Includes the employer portion of estimated changes in employee benefit costs.					
Agency Request	0.00	34,000	0	14,600	48,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>34,000</i>	<i>0</i>	<i>14,600</i>	<i>48,600</i>
Inflationary Adjustments					
Includes a general inflationary increase of 1.7% in operating expenditures and trustee/benefit payments.					
Agency Request	0.00	216,800	0	92,900	309,700
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Replacement Items					
Includes \$97,900 (\$68,500 General Fund) for miscellaneous office equipment, \$108,500 (\$56,400 General Fund) for replacing seven vehicles, and \$97,900 (\$68,500 General Fund) for computer replacement.					
Agency Request	0.00	193,400	0	110,900	304,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Nonstandard Adjustments					
Includes adjustments in Attorney General, State Controller, and State Treasurer fees. It also includes funding for increased rent costs and travel per diem, and other repair and maintenance projects. In addition, the Department contracts with Citibank for the electronic payment system (EPS). This system is used to distribute cash assistance and child support through electronic benefits transfer (EBT) and direct deposit to client bank accounts. The current contract, which was developed by the Western States EBT Alliance (WSEA), must be re-bid next year. The Department is participating with WSEA in the development of the necessary request for proposals and bid evaluations. Based upon discussions to date, it appears Citibank will not be retaining "e-Funds" as a subcontractor for the point of sale equipment as is in their current contract. Therefore, the Department will possibly need to change vendors and definitely change point of sale equipment. Conversations with Lockheed Martin and "e-Funds" estimate it would cost approximately \$250,000 to swap out the existing point of sale equipment. The Department is responsible for supplying this equipment to those vendors who request it. A conservative estimate for required system interface changes and testing under the new contract would be \$750,000.					
Agency Request	0.00	202,000	0	384,000	586,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>(366,900)</i>	<i>0</i>	<i>(157,300)</i>	<i>(524,200)</i>
Change in Employee Compensation					
Reflects the cost of a 1% salary increase for permanent and group positions.					
Agency Request	0.00	101,200	0	43,400	144,600
<i>The Governor recommends state employee compensation increases to be made from salary savings.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Fund Shifts					
The purchase of the software and certificates for the first year (FY 2002) is reimbursable with 90 percent federal matching funds. For FY 2003 and following years, that matching rate is reduced to the operational match of 75 percent. A fund shift is requested for continued program support.					
Agency Request	0.00	56,200	0	(56,200)	0
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
FY 2003 Program Maintenance					
Agency Request	284.80	16,635,100	499,900	18,297,300	35,432,300
<i>Governor's Recommendation</i>	<i>274.80</i>	<i>13,824,000</i>	<i>1,165,000</i>	<i>16,080,600</i>	<i>31,069,600</i>

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1. Additional Capital Outlay					
Includes \$96,200 for a power supply backup at each departmental location and \$9,700 for laptop and desktop computers.					
Agency Request	0.00	74,100	0	31,800	105,900
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
FY 2003 Total					
Agency Request	284.80	16,709,200	499,900	18,329,100	35,538,200
Governor's Recommendation	274.80	13,824,000	1,165,000	16,080,600	31,069,600
Agency Request					
Change from Original App	34.90	2,045,400	(616,000)	1,518,700	2,948,100
% Change from Original App	14.0%	13.9%	(55.2%)	9.0%	9.0%
<i>Governor's Recommendation</i>					
Change from Original App	24.90	(839,800)	49,100	(729,800)	(1,520,500)
% Change from Original App	10.0%	(5.7%)	4.4%	(4.3%)	(4.7%)

